

DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20350

My dear Mr. Speaker:

There is enclosed a draft of proposed legislation "To amend title 37, United States Code, to authorize payment of special allowances to dependents of members of the uniformed services to offset expenses incident to their evacuation, and for other purposes."

This proposal is a part of the Department of Defense Legislative Program for the 89th Congress. The Bureau of the Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by Congress.

Purpose of the Legislation

The purpose of the proposed legislation is to authorize payment of special allowances and dislocation allowances to dependents of members of the uniformed services when the dependents are evacuated from a danger area. The need for such allowances to enable dependents to meet the extra expenses incident to their evacuation was graphically demonstrated during the evacuation of dependents of United States military personnel from the Naval Base at Guantanamo Bay, Cuba, to Norfolk, Virginia, in October 1962. These dependents were evacuated on very short notice and were permitted to take with them only one suitcase per person. They arrived in Norfolk with limited amounts of tropical clothing and with nothing suitable for wear in fall and winter in Virginia. Many were short of funds. Navy Wives Clubs and the Navy Relief Society rendered all possible assistance but many problems remained. A number of cases of serious hardship resulted.

This was a relatively small evacuation--approximately 2300 dependents of military personnel and 500 civilian employees and their dependents. The problem that would result from a mass evacuation from European or Asian areas would obviously be much more severe if no provision is made for monetary relief.

Under present law and regulations (37 U.S.C. 405 and Par. 4306 of Joint Travel Regulations) dependents of members of the uniformed services evacuated from an overseas area to a "safe-haven" in another overseas area are entitled to the per diem and cost-of-living allowances

prescribed for the area to which they are evacuated. These area allowances, however, are considered inadequate for dependents in an evacuation situation. Moreover, there is no authority for such an allowance when the dependents are evacuated to the United States although the need, as shown by experience in the Cuban evacuation, can be just as great.

Pursuant to section 1006(c) of title 37, United States Code, advances of pay (up to two months' basic pay) can be made to dependents of members of the armed forces previously designated by the member in the event the dependents are ordered evacuated. Like any other "overpayments", these advances are subject to repayment, through checkages of pay, over a period of six months or over a period of twelve months if approved by the Secretary. In other words, these advances are in the nature of a loan, to meet the immediate needs resulting from an evacuation. It was thought, when the legislation that became 37 U.S.C. 1006(c) was proposed, that an advance of two months' pay would be sufficient for that purpose. This has proved not to be true, particularly in the case of dependents of personnel in the junior officer and lower enlisted pay grades. Further, the requirement that the advances must be repaid prolongs the initial hardship over a period of six to twelve months. The proposed legislation would alleviate this situation by authorizing waiver of recovery of not more than one month's basic pay in all proper cases and by providing for special allowances to meet the extra costs directly resulting from an evacuation.

Precedent for advance pay, waiver of recovery, and allowances for evacuees exists in the Act of September 26, 1961, Public Law 87-304 (75 Stat. 662), relating to the evacuation of civilian employees of the United States and their dependents. Pursuant to that law and the implementing regulations (Standardized Regulations (Government Employees, Foreign Areas)), civilian employees are authorized to be paid an advance of thirty days' pay, including post differential and allowances, recovery of which can be waived if against equity and good conscience or the public interest. In addition, each evacuated employee and dependent may be granted such additional allowances as the President determines to be necessary to offset the direct added expenses incident to the evacuation. These provisions are applicable regardless of the location of the designated "safe-haven". It can be either a foreign country or in the United States.

In the case of civilian employees and their dependents who were evacuated from Guantanamo Bay in October 1962, special subsistence allowances of \$16 a day for each employee and dependent over eleven years of age and \$8 a day for each dependent under eleven years of age were authorized in accordance with chapter 600, Standardized Regulations (Government Employees, Foreign Areas). These allowances were paid until November 10, 1962, after which an allowance equal to the regular Separate Maintenance

Allowance authorized by paragraph 943 of the Regulations became effective. There was no legislation specifically authorizing similar treatment of dependents of military personnel. To alleviate the hardships of military dependents evacuated from Guantanamo Bay, payments were made to them from emergency funds of the Secretary of Defense. This situation highlighted the need for this proposed legislation.

In addition to the special allowances discussed above, this proposal would authorize the payment of a dislocation allowance when dependents are ordered evacuated by competent authority. Under present law (37 U.S.C. 407) a member of a uniformed service is entitled to a dislocation allowance only when his dependents make an authorized move in connection with his permanent change of station. Obviously, the expense of setting up a temporary residence after an evacuation can be as great as if not greater than the expenses involved in moving to a new station. The proposed legislation would recognize this fact by amending sections 407 and 1006 of title 37, United States Code, to permit advance payment of the dislocation allowance, which is equal to one month's basic allowance for quarters, when an evacuation of dependents is ordered.

If this legislation is enacted, it is contemplated that the implementing regulations will provide for the payment, at a per diem rate, of the special allowances to evacuated dependents commencing on the day the dependents arrive at the safe-haven area and continuing for the period required for them to reach the place selected for their temporary residence. The dislocation allowance, with the member's previously obtained consent, will be paid directly to his dependents and may be paid in advance. The member's wife will then be able to meet the extra expenses that will be involved in equipping her temporary home upon arrival at her destination.

Since under present law the shipment of a private vehicle is not authorized for a member of an armed force except in connection with a permanent change of station, it is necessary to provide for the shipment of a private vehicle to the dependents' temporary residence selected at the time of the evacuation. The proposed legislation would therefore authorize transportation of the vehicle, of a member of the uniformed services, at government expense, from the place of evacuation through a port of entry and, finally, to the place selected by the member or his dependent as the temporary place of residence. Without this authority a dependent would normally be confronted with the problem of transporting the vehicle from a port of entry to the temporary residence selected. This could involve considerable hardship for the dependent because of time and distance factors, the financial burden and the providing for the care of dependent children while attempting to locate and return with the vehicle from its port of entry. Such a requirement should not be placed upon a dependent who is already distraught and upset from the evacuation ordeal. Additionally, the proposal would authorize the transportation of the vehicle from the

selected temporary residence to the member's permanent duty station if and when travel for the member's dependents is authorized to the permanent duty station, to the same extent such transportation is now authorized upon a permanent change of station (10 U.S.C. 2634).

It should be noted that on May 9, 1963, the Internal Revenue Service ruled that allowances paid because of the Guantanamo Bay, Cuba, evacuation were not includible in gross income to the extent that such payments were expended for the purposes for which they were provided. It is not intended, by making permanent provisions for evacuation allowances, to offset the income tax exclusion of them in any way.

Cost and Budget Data

Because conditions requiring evacuation of military dependents are largely unpredictable, it is not possible to estimate the additional costs that may result from enactment of the proposed legislation.

Sincerely yours,

Honorable John W. McCormack
Speaker of the House of Representatives
Washington, D. C. 20515

1 Enclosure
Draft bill